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OF INDEPENDENCE TO COLONIAL
COUNTRIES AND PEOPLES

MONTSERRAT

Working paper prepared by the Secretariat

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MONTSERRAT 1/

I. GENERAL

1. Montserrat is situated in the Leeward Islands in the eastern Caribbean, 43 kilometres south-west of Antigua and 64 kilometres north-west of the French Overseas Department of Guadeloupe. It has a maximum length of 18 kilometres and a maximum width of 11 kilometres, and covers an area of 103 square kilometres. The capital of Montserrat is Plymouth.

2. Montserrat is mountainous and of volcanic formation. There are three ranges, the highest point being Chance Mountain, which is 914 metres.

3. The Territory, which is in the hurricane zone, was struck by hurricane Hugo on 17 September 1989, causing severe damage to the economic and social infrastructure. Emergency and rehabilitation assistance, mainly from the United Kingdom of Great Britain and Northern Ireland and from regional and international agencies, and local relief efforts have since contributed to achieving economic recovery.

4. The census taken in 1991 recorded the population of the Territory at 11,935. According to the latest estimates, as of 1993, the population of the Territory totalled approximately 12,000. 2/

II. CONSTITUTIONAL AND POLITICAL DEVELOPMENTS

A. Constitution

5. The Territory is administered by the United Kingdom under the Montserrat Constitution Order of 1989, which came into force in 1990. The Constitution provides for a Governor appointed by the Queen; an Executive Council comprising the Governor as President, the Chief Minister, three ministers and two ex officio members (the Attorney General and the Financial Secretary); and a Legislative Council, comprising a Speaker, two ex officio members (the Attorney General and the Financial Secretary), seven elected members returned from single-member constituencies on the basis of universal adult suffrage, and two nominated members.

6. Ministerial responsibilities cover all areas of government business with the exception of external affairs, internal security, defence, the public service, international financial services and areas for which the Governor is responsible. Following a survey of offshore financial services in the dependent Territories undertaken by the British Government in 1990, the special responsibilities of the Governor were extended to cover international financial services. During the Governor's absence, the Speaker of the Legislative Council acts as Governor.

7. A Magistrates' Court, presided over by a Resident Magistrate, is situated at Plymouth. The functions of Registrar General, Registrar to the High Court

and Deputy Registrar to the Court of Appeal are performed by an officer holding the post of Registrar who also acts for the Magistrate during his absence.

8. The Eastern Caribbean States, Supreme Court (Montserrat) Ordinance, 1968, created the High Court and Court of Appeal. Appeals to the Queen's Privy Council are governed by the Montserrat (Appeals to Privy Council) Order, 1967. A judge of the High Court visits Montserrat three times a year to hold assizes, and an Appeal Court Justice visits twice each year.

9. The Attorney General is the Public Prosecutor and these powers are vested in him to the exclusion of any other person. There are several locally appointed justices of the peace with limited powers of summary jurisdiction.

10. On 16 July 1993, Mr. Frank Savage was sworn in as the eighth Governor of Montserrat. He succeeded Governor David P. Taylor, who was appointed in 1990. 3/

B. Political parties and elections

11. There are three political parties registered in the Territory: the People's Liberation Movement (PLM); the National Progressive Party (NPP); and the National Development Party (NDP).

12. The last general elections for the seven elected seats in the territorial Legislative Council were held on 8 October 1991. The results were as follows: NPP obtained four seats; PLM and NDP won one seat each; and the seventh seat was gained by an independent candidate.

13. The next general elections are due in 1996. According to the administering Power, there are 7,836 registered voters.

C. Public service

14. According to the administering Power, in 1994 the territorial public service comprised 784 established posts. In addition, 479 non-established workers were included in public service.

15. During the period under review, the territorial Government continued its policy aimed at improving the efficiency and productivity of the public service. In the view of the territorial officials, the public service should not grow at a rate that could not be supported by the revenue base and economic resources of Montserrat; however, mass retrenchment should be avoided at all costs.

16. The Territory continued to receive financial assistance for overseas training programmes from several agencies, including the British Development Division in the Caribbean, the Commonwealth Fund for Technical Cooperation, the Canadian Training Awards Project, and the United States Agency for International Development.

III. ECONOMIC CONDITIONS

A. General

17. The economy of Montserrat is based mainly on construction, tourism and related financial, distributive and personal services. According to the administering Power, during 1993/94 there was a noticeable decline in those sectors, which could be attributed to the sluggish economic performance following the rebuilding efforts after hurricane Hugo and the inherent economic recession. In addition, public sector grant projects, which were expected to generate high levels of employment, were late in implementation.

18. In 1993, the gross domestic product (GDP) totalled EC$ 137.14 million; 4/ the indicator of GDP per capita was EC$ 13.084.

B. Public finance

19. On 27 January 1994, the Legislative Council adopted the 1994 budget estimates without debate. Recurrent revenue was estimated at EC$ 42.8 million, recurrent expenditure at EC$ 42.5 million and capital expenditure at EC$ 43.2 million. The total projected expenditure of EC$ 85.7 million was reported to be 18 per cent higher than in 1993.

20. In his 1994 budget speech, the Chief Minister informed the Legislative Council that the Government's concern over the state of public finance was a matter of public record. He noted that Montserrat should join members of the Caribbean Community (CARICOM) in applying the Common External Tariff (CET), which allows goods from CARICOM countries to enter other CARICOM countries free of import duties. The acceptance of CET had necessitated a complete evaluation of the Territory's system of indirect taxation. The Chief Minister stressed, however, that the Government would make certain that the introduction of CET did not place a burden on the poor. In that connection, he announced that the income tax threshold would be raised from EC$ 10,000 to EC$ 13,000. He cautioned merchants against using CET to take advantage of consumers and outlined measures to train customs officials and to educate the public on the proposed changes.

21. As of April 1995, the territorial budget for 1995 was still being drafted. No exact date has been set for the presentation of the budget to the territorial Legislature. 5/

C. Land tenure, agriculture, livestock and fisheries

22. Responsibilities for the agricultural land owned by the territorial Government are vested in the Land Development Authority which, in cooperation with the Department of Agriculture, ensures that the land is utilized efficiently if tenancy is to be continued.

23. The total area of land available for agriculture is 2,960 hectares, which is distributed as follows: arable farming, 792 hectares; and mixed farming with

emphasis on grazing and tree crops, 1,901 hectares. No farming activity other than forestry is permitted in the areas located over 1,500 feet above sea level. All spring and water resources are protected by law and it is an offence to practise any form of agriculture within a radius of 300 yards of any spring.

24. Montserratians can buy land in any part of the island whether for agricultural, commercial or residential purposes. The sale of land to expatriates is regulated by an Alien Land Holding Act. Currently, land is distributed as follows: 80 per cent is owned by Montserratians; 12 per cent is owned by expatriates; and 8 per cent by the Government. Land is tenable mostly on long-term leases of 20 to 25 years. Tenants are not permitted to build residential dwellings on agricultural land belonging to the Government unless it is converted from agricultural use to housing.

25. The territorial Department of Agriculture is charged with the supervision of that sector of the economy. It also offers farmers such services as provision of tractors, crop spraying, seedlings and veterinary care at rates subsidized by the Government. The Bank of Montserrat provides farmers with agricultural loans from funds accessed from the Caribbean Development Bank (CDB). The National Development Foundation of Montserrat also makes short-term loans available to farmers. The Agricultural Extension Division assists farmers in effective use of the existing irrigation facilities.

26. According to the administering Power, during the period under review, Montserrat increased its degree of self-sufficiency in fruit, vegetables and meat. The territorial Treasury, during 1993/94, allocated EC$ 100,000 to assist development of the broiler industry and the production of onions. Crop and livestock production in 1993 were as follows: cabbage, 36,800 pounds; white potatoes, 84,150 pounds; onions, 300,000 pounds; cattle, sheep and goats, 5,000 pounds; and broilers, 105,419 pounds.

27. The fishing industry in Montserrat is of a seasonal nature, from March to July being the peak season. The resources available to local fishermen are limited because of the absence of natural reefs. About 50 per cent of the total landings of fish in the Territory come from the Coastal Pelagics and consist mostly of gar, Ballaho and jacks. Fish is sold whole to the customer since there are no storage facilities available.

D. Industry

28. The industrial sector consists of mining and quarrying, as well as of small-scale production units, including electronic assembly, textile, furniture, leather and agro-processing plants.

29. Montserrat Quarry Products Ltd. and Caribbean Sand and Aggregate Ltd. represent the territorial mining industry. They produce and sell aggregate and related products to the Government. In 1993, the industry employed 15 persons and produced 9,144 short tons of fines (dust and sand) and 17,933 short tons of coarse aggregate for a total value of EC$ 1.3 million.

30. The manufacturing sector, which is dominated by electronic assembly plants, depends significantly on subcontracting arrangements with the companies domiciled in the United States. According to the administering Power, in 1993 the contributions of the manufacturing sector to the territorial economy totalled EC$ 3.53 million compared with EC$ 3.38 million in 1992.

E. Transport, communications and basic utilities

31. According to the administering Power, the transport statistics for 1993 were as follows: aircraft landings, 7,402; cruise ship calls, 93; cargo landed, 40,420 short tons; and cargo loaded, 754 short tons.

32. Among the most significant achievements in the upgrading of the existing transport facilities was the completion in 1994 of the construction of the new jetty in Plymouth. The territorial Government began some road repairs and rehabilitation in 1994. The Territory also expects to receive assistance of approximately EC$ 30 million for the Blackburne Airport Project under the Lomé Pact. In January 1994, the President and Chief Executive Officer of the Atlantic Caribbean International Airlines visited the Territory and held discussions with private sector representatives on the establishment of air freight and passenger services between the Territory and other Eastern Caribbean countries. The President of the Montserrat Chamber of Commerce and Industry stated that such a service would assist small exporters and would also enhance tourism in the Territory.

33. Montserrat Electricity Services Ltd. (MONLEC), a wholly owned government company, is responsible for development and distribution of electric power in the Territory. MONLEC has a generating plant with a capacity of 4,750 kilowatts. In 1994, MONLEC embarked on a power systems study with a view to upgrading its technical base and financial position.

34. The Montserrat Water Authority is responsible for water supply and water conservation. According to the administering Power, in 1993 the Water Authority sold 176.09 million gallons of potable water, a 10 per cent increase over 1992.

35. There are three radio stations in the Territory. Radio Montserrat, which is fully owned by the Government, has three broadcasting transmitters; its programmes are on the air for 120 hours per week.

36. There are two newspapers - The Montserrat Reporter and The Montserrat News. They are normally published weekly but production is often interrupted because of lack of supplies or printing problems. Such interruptions result in temporary cessation of the distribution of the newspapers.

F. Tourism

37. During the period under review, tourism continued to be a major sector of the territorial economy, representing approximately 30 per cent of the GDP of Montserrat in 1994. 6/

38. In 1993, tourist arrivals totalled 22,618 compared with 17,368 in 1992. The majority of tourists originated from the United States of America, Canada, the Caribbean and the United Kingdom. The average length of stay of the tourists was one week. In 1993, tourist spending in Montserrat totalled EC$ 41.5 million compared with EC$ 37 million in 1992.

39. The territorial Government continued its efforts to promote Montserrat in the world tourist market and to upgrade the available facilities. The Department of Tourism completed a tourism survey in order to determine the methods of maximizing territorial earnings from the industry. The survey anticipates that cruise ship visitors will be the fastest growing category of tourist arrivals during the 1990s.

40. In January 1994, the Chief Minister outlined the Government's policy on tourism. He stated that there would be consolidation and transformation of the sector. The essentials of the Territory's policy would include the development of the Territory as an upscale destination and the promotion of an image of a clean tourist environment. The Government would also welcome the controlled growth of cruise ship arrivals. 6/

G. External trade

41. According to the administering Power, Montserrat's exports increased significantly during 1993, reflecting the growth of re-exportation of equipment used in construction of the jetty in Plymouth (see also para. 32 above), and totalled EC$ 6 million compared with EC$ 4.3 million in 1992. Other export commodity groups included assembled electronic parts, wooden latticework and plastic bags. The destinations of the territorial exports in 1993 were as follows: United States, 64 per cent; CARICOM countries, 32 per cent; and other countries, 4 per cent.

42. In 1993, imports to Montserrat totalled EC$ 74.3 million compared with EC$ 97.1 million in 1992. The main import commodities were the following: food, beverages and tobacco, EC$ 20.4 million; crude materials and mineral fuels, EC$ 13.3 million; chemicals, EC$ 4.9 million; manufactured goods, EC$ 13.2 million; machinery and transport equipment, EC$ 11.0 million; and other manufactured goods, EC$ 11.5 million. Imports originated from the United States (41 per cent), the CARICOM countries (24 per cent), and other regions (35 per cent).

H. Financial sector

43. According to information provided by the administering Power, during the period under review there were three commercial banks licensed to conduct business in the Territory and 22 offshore banks licensed under the Offshore Banking Ordinance 1991. A licence is required to acquire foreign currency in excess of EC$ 500, and a foreign currency levy of 1.75 per cent is imposed on foreign currency purchases.

44. In 1992, total deposits, including non-resident deposits, amounted to EC$ 104.1 million. The foreign assets of the commercial banks were EC$ 5.9 million, or 35 per cent above 1991 figures. Their foreign liabilities increased by 65.2 per cent, however, to EC$ 9.7 million. The Territory's total net foreign assets declined by EC$ 2 million, or 12.7 per cent, to EC$ 13.8 million.

45. Aiming at improving Montserrat's image as an international financial centre, the territorial Government in 1993 mandated the Director of Financial Services with all supervisory and administrative functions of all the financial institutions licensed in the Territory. During 1993, the Financial Centre had incorporated 23 new international business companies. With positive promotion and marketing, it was expected that the volume of active international business companies would increase significantly from the current figure of 70.

I. Assistance from the United Nations system of organizations

46. The United Nations Development Programme (UNDP) Resident Representative for the Eastern Caribbean Countries continues to serve as United Nations Resident Coordinator of the operational activities of the United Nations system for the Territory. During the period under review, UNDP focused its support for the Territory on human resource development, economic and social development planning, environmental programmes and tourism. As a small developing Territory, Montserrat, together with other Caribbean Territories, received UNDP assistance in preparation for the Global Conference on the Sustainable Development of Small Island Developing States (Barbados, 1994) and for the International Conference on Population and Development (Cairo, 1994).

47. In February 1994, it was reported that the Government had established a National Committee and was holding consultations on the status of women in the Territory in preparation for the Fourth World Conference on Women, to be held at Beijing in 1995. 7/

IV. SOCIAL CONDITIONS

A. General

48. According to the administering Power, the society of Montserrat is generally stable, with no incidents of social or racial conflict. The quality of life continues to improve for a significant percentage of the population.

B. Labour

49. In its information on the Territory, the administering Power reported that the total labour force in the Territory was 6,120 in 1991 and 6,230 in 1992, and that the working population was 5,789 in 1991 and 5,597 in 1992. The unemployment rate in 1991 was 6 per cent, and 9 per cent in 1992.

50. The territorial Labour Department, which falls under the Ministry of Education, Health and Community Services, supervises and administers the application of labour legislation in Montserrat; ensures observance of the standards for work conditions; provides employment and job centre services; processes work permits and permits of permanent residence; and carries out liaison with regional and international labour organizations. In accordance with the Employment Ordinance (1979), the Government appoints a Labour Advisory Board which advises the Government on all matters related to labour problems, including the following: labour legislation, work permit policy, labour productivity, labour relations and establishment of minimum wages. The Government is required to consult with the Board before introducing any legislation related to labour matters.

51. There are six registered trade unions in the Territory, the oldest of which, the Montserrat Trades and Labour Union, was established in 1946.

C. Public health

52. During the period under review, the territorial Government attempted to meet its main objective of delivering quality health care to all citizens of Montserrat. An important feature of this policy was the implementation of the Glendon Hospital Redevelopment Project, which led to an improvement in hospital conditions. Training of nurses was undertaken in such key areas as critical care, operating theatre techniques and public health. As part of an overall strategy, plans were outlined for the provision of complementary health care in specialized areas as a result of cooperation agreements with other countries including Canada, Guadeloupe and the United States. The Government also established the National Health Information Unit, which is expected to improve the data available for planning and for public education programmes.

53. The United Kingdom Overseas Development Administration funded the Health Sector Adjustment Project for Montserrat, under which planning and management activities would be strengthened so that quality care could be provided in an affordable manner. An adviser for the project, who is based in Montserrat and who also services Anguilla and the British Virgin Islands, presented his preliminary report with recommendations to the territorial Government.

V. EDUCATIONAL CONDITIONS

54. Education in the Territory continues to be compulsory and free for all children between the ages of 5 and 16, and is provided at nursery, primary and secondary levels.

55. Responsibility for education rests with the territorial Ministry of Education, Health and Community Services. Recurrent cost for public education amounts to approximately 20 per cent of the total expenditure.

56. During the period under review, the Government implemented its educational reform, which was aimed at restructuring the post-secondary educational system and creating a community college. The target of training a significant number

of teachers had been largely achieved. Twenty teachers had received formal training ranging from certificate to postgraduate degree level courses. Training in technical areas was supported by the Government of Germany through its CARICOM programme.

VI. PARTICIPATION IN REGIONAL ORGANIZATIONS AND ARRANGEMENTS

57. The Territory continues to be a member of CARICOM and the Organization of Eastern Caribbean States (OECS), as well as of the institutions associated with both groups, including the University of the West Indies, the Caribbean Development Bank (CDB) and the Eastern Caribbean Central Bank (ECCB). Montserrat is an associate member of the Economic Commission for Latin America and the Caribbean and its subsidiary bodies. The Territory is represented at the meetings of the Caribbean Group for Cooperation in Economic Development, sponsored by the World Bank.

58. During the period under review, representatives of the Territory participated in regional and international conferences and programmes organized by Governments, international organizations and multilateral agencies. According to press reports, 8/ Montserrat, along with other United Kingdom dependent Territories, became a member of the Dependent Territories Association launched in November 1994. The Association aims at enhancing communication and cooperation among the Governments of the British dependent Territories.

VII. FUTURE STATUS OF THE TERRITORY

Position of the territorial Government

59. The position of the territorial Government on the future political status of Montserrat was outlined in a previous working paper on the Territory prepared by the Secretariat (A/AC.109/1137, paras. 13-16). To summarize, the Chief Minister reportedly stated that independence was not a priority; as the Territory became more economically self-reliant, it would then be in a position to move towards independence. He expressed a preference for the Territory to become independent within an OECS political union, an idea that is currently under consideration. That position remained unaltered during the period under review.

Consideration by the General Assembly

60. In a statement before the Special Political and Decolonization Committee (Fourth Committee) of the General Assembly on 12 October 1994, 9/ the representative of the United Kingdom stated his Government's position towards its dependent Territories (see also A/AC.109/2013, para. 62).

61. On 9 December 1994, the General Assembly adopted resolution 49/46 B, a consolidated resolution on nine Non-Self-Governing Territories, section VII of which was specifically devoted to Montserrat.

Notes

1/ The information contained in the present paper has been derived from published reports and from information transmitted to the Secretary-General by the Government of the United Kingdom of Great Britain and Northern Ireland under Article 73 e of the Charter of the United Nations on 26 August 1994.

2/ United Nations, Population and Vital Statistics Report, Statistical Papers, Series A, vol. XLVII, No. 2 (ST/ESA/STAT/SER.A/193). Data available as of 1 April 1995. New York: Department for Economic and Social Information and Policy Analysis, Statistical Division, 1995, p. 8.

3/ The Montserrat Reporter (Plymouth), 16 July 1993.

4/ The currency of the Territory is the East Caribbean dollar (EC$). One United States dollar (US$ 1.00) is equivalent to EC$ 2.70.

5/ The Montserrat Reporter (Plymouth), 9 January 1995.

6/ Ibid., 4 November 1994.

7/ Ibid., 18 and 25 February 1994.

8/ Ibid., 18 November 1994.

9/ A/C.4/49/SR.5, para. 28.